

Reorganization and Consolidation

What are other states doing
and what can we learn?

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Today's Discussion

- Frame the issue in Iowa's environment
- Introduce states and their proposals
- Comparison between proposals
- Iowa policies
- Relevance to Iowa



Iowa's Consolidation History

- Speaking in general terms: merger vs. reorganization vs. dissolution vs. consolidation
- Historically district reorganizations
- Recent consolidation scenarios:
 - Hedrick and Russell
 - New Market



Iowa Department of Education



School Year	# of Public School Districts	% Change from Previous Year Cited	School Year	# of Public School Districts	% Change from Previous Year Cited
1950-1951	4,652		2000-2001	374	-2.6%
1955-1956	4,142	-11.0%	2001-2002	371	-0.8%
1960-1961	1,575	-62.0%	2002-2003	371	0.0%
1965-1966	1,056	-33.0%	2003-2004	370	-0.3%
1970-1971	453	-57.1%	2004-2005	367	-0.8%
1975-1976	449	-0.9%	2005-2006	365	-0.5%
1980-1981	443	-1.3%	2006-2007	365	0.0%
1985-1986	437	-1.4%	2007-2008	364	-0.3%
1990-1991	430	-0.2%	2008-2009	362	-0.5%
1995-1996	384	-10.7%			



Sampling of Consolidation Efforts

- Jurisdictions:
 - Nebraska
 - Arizona
 - Arkansas
 - Maine
 - District of Columbia
 - New Jersey
 - Delaware
- Selection criteria



Nebraska

- Genesis
- Learning communities:
 - An administrative umbrella that can levy property taxes
 - Goals of a learning community:
 - Develop a working cooperative of its member districts
 - Share financial resources
 - Integrate schools through cooperation
 - Develop interdistrict programs and schools
 - Improve opportunities and achievement
 - Local independence
 - Coordinating council
 - Sharing students



Arizona

- Commission stage – laudable goals
 - Emphasizes reducing administrative costs and putting more funding in the classroom
 - Roles of consolidated board unclear
 - No districts with fewer than 350 students
- Other similarities that make Arizona worth watching:
 - Number of districts: 227 versus 362
 - Demographic patterns:
 - Few larger population centers and sparsely populated rural area
 - Inward migration
 - Proposal has a rural versus urban tension



Arkansas

- *Lake View v. Huckabee*
 - Modify the funding formula for districts
 - Increase teacher pay
 - Improve facilities

- Act 60
 - Enrollment under 350; forced to consolidate, create a new district, or be annexed
 - Over 100 districts have been reorganized
 - 47 schools closed in those districts



Maine

- “Reducing” the number of districts
 - Administrative umbrella - regional school units (RSUs)
 - Everyone must work together; they must also submit a plan
 - 2,500 student target; not less than 1,000
 - One system: common core curriculum and testing, submits one budget to the DE and gets one check from DE, common policies
 - Alternate organizational structure (AOS) – separate collective bargaining agreements
 - Cost sharing between LEAs in RSU/AOS
- Political realities:
 - Local control: LEA member could still propose additional levy beyond RSU
 - Reorganization will *not* displace students or teachers



Other Initiatives

- Washington DC - Infrastructure Crisis
 - Plan: Closing building and realigning flow of students
 - Goal: Free up resources for needed staff
- Delaware – Transportation Issues
 - \$80 million annually on transportation
 - Commission report focusing on administrative savings
- New Jersey – Funding Formula Reform
 - Formula based
 - From zip code to student characteristic; however, still geographic cost adjustment



Comparison Between States

- Create super structures
 - RSU, Coordinating council
- Not consolidation in a strict sense:
 - Same number of entities (schools) with the ability to act independently (as sub units)
 - Won't displace teachers or students
- Political realities of initiatives
 - Another layer of hierarchy
 - Local control – no strict centralized planning
 - Tradeoffs – no reduction in teachers



Iowa Policies

- Previous report on sharing and efficiencies
- Reorganization on web
 - <http://www.iowa.gov/educate/content/view/115/351/>
 - History
 - Manual
 - Finances
- Contact: Joyce Thomsen, (515) 242-5612, joyce.thomsen@iowa.gov



Relevance to Iowa

- Financial pressures on districts to merge
 - Budget adjustment (previously called budget guarantee)
 - FY08 124* districts (72 on scale down and 53 on 101%)
 - FY09 156 districts estimated (64 on scale down and 92 on 101%)
 - Phase out: began FY05 and ends in FY14
 - Enrollment and instructional costs
 - Instruction 72% of expenditures on average
 - Enrollment is single biggest factor in district allocations
 - Not necessarily tracking with one another
 - Phase II
- Emphasis on quality programs
- Innovative delivery mechanisms and centralized support help
 - Reality is that there is a financial threshold: economies of scale